

Introduced by Senator MigdenFebruary 22, 2005

An act to amend Section 29530 of the Government Code, and to add Section 7203.25 to the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1020, as introduced, Migden. County sales and use taxes: rate increase

The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns Law) authorizes a county and a city and county to impose a local sales and use tax, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate that is credited against the county rate. Existing law requires a city, county, or city and county imposing a local sales and use tax pursuant to the Bradley-Burns Law to contract with the State Board of Equalization to administer the local sales and use tax. Existing law authorizes a county or city and county to contract with the State Board of Equalization to establish a local transportation fund in the county treasury for the deposit of $\frac{1}{4}$ of 1% of the revenues collected for the county or city and county under the Bradley-Burns Law for specified transportation purposes.

This bill would authorize a county or city and county to impose an additional $\frac{1}{4}$ of 1% sales and use tax rate under the Bradley-Burns Law. This bill would require a county or city and county that imposes this additional rate to deposit all revenues derived therefrom, less specified administrative costs, into a local transportation fund, as specified. This bill would also require a county or a city and county that imposes this additional tax to comply with the applicable

voter-approval requirements of a specified provision of the California Constitution.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 29530 of the Government Code is
2 amended to read:

3 29530. (a) If the board of supervisors so agrees by contract
4 with the State Board of Equalization, the board of supervisors
5 shall establish a local transportation fund in the county treasury
6 and shall deposit in the fund all revenues transmitted to the
7 county by the State Board of Equalization under Section 7204 of
8 the Revenue and Taxation Code, which are derived from that
9 portion of the taxes imposed by the county at a rate in excess of 1
10 percent, and on and after July 1, 2004, until the rate
11 modifications in subdivision (a) of Section 7203.1 of the
12 Revenue and Taxation Code cease to apply, at a rate in excess of
13 three-quarters of 1 percent, pursuant to Part 1.5 (commencing
14 with Section 7200) of Division 2 of that code, less an allocation
15 of the cost of the services of the State Board of Equalization in
16 administering the sales and use tax ordinance related to the rate
17 in excess of 1 percent, and on and after July 1, 2004, until the
18 rate modifications in subdivision (a) of Section 7203.1 of the
19 Revenue and Taxation Code cease to apply, to the rate in excess
20 of three-quarters of 1 percent, and of the Director of
21 Transportation and the Controller in administering the
22 responsibilities assigned to him or her in Chapter 4 (commencing
23 with Section 99200) of Part 11 of Division 10 of the Public
24 Utilities Code.

25 (b) *(1) The board of supervisors of a county or city and*
26 *county that imposes a tax pursuant to Section 7203.25 of the*
27 *Revenue and Taxation Code shall contract with the State Board*
28 *of Equalization to establish a local transportation fund in the*
29 *county or city and county treasury, and shall deposit in the fund*
30 *all revenues transmitted to the county or city and county by the*
31 *State Board of Equalization under Section 7204 of the Revenue*
32 *and Taxation Code that are derived from that portion of the taxes*
33 *imposed by the county or city and county under Section 7203.25*

1 *of the Revenue and Taxation Code, less an allocation of the cost*
2 *of the services of the State Board of Equalization in*
3 *administering the sales and use tax ordinance related to that rate*
4 *and the Director of Transportation and the Controller in*
5 *administering the responsibilities assigned to him or her in*
6 *Chapter 4 (commencing with Section 99200) of Part 11 of*
7 *Division 10 of the Public Utilities Code.*

8 *(2) The board of supervisors of a county or city and county*
9 *that has established a local transportation fund under*
10 *subdivision (a) is deemed to have established the local*
11 *transportation fund described in paragraph (1). The board of*
12 *supervisors shall deposit into that fund all revenues described in*
13 *paragraph (1).*

14 *(c) Any interest or other income earned by investment or*
15 *otherwise of the local transportation fund shall accrue to and be*
16 *a part of the fund.*

17 SEC. 2. Section 7203.25 is added to the Revenue and
18 Taxation Code, to read:

19 7203.25. (a) Notwithstanding any other provision of law, on
20 and after January 1, 2006, a county and a city and county may,
21 for the purposes specified in subdivision (b) of Section 29530 of
22 the Government Code, impose a sales and use tax rate of
23 one-quarter of 1 percent, in addition to the rates authorized by
24 Sections 7202 and 7203, for the privilege of selling tangible
25 personal property at retail in the county or city and county, and
26 upon the storage, use or other consumption in the county or city
27 and county of tangible personal property purchased from any
28 retailer for storage, use or other consumption in the county or
29 city and county.

30 (b) A county and city and county that imposes a tax pursuant
31 to subdivision (a) shall comply with both of the following:

32 (1) All other applicable provisions of this part.

33 (2) The applicable voter-approval requirements of Section 2 of
34 Article XIII C of the California Constitution when the county or
35 city and county imposes, extends, or increases the tax authorized
36 by this section.